STAND. COM. REP. NO. 743

Honolulu, Hawaii

MAR 0 3 2023

RE: S.B. No. 18 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 18, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

2023-1877 SSCR SMA.docx

The purpose and intent of this measure is to require domestic and foreign corporations to provide their shareholders with reports of independent expenditures and political contributions.

Your Committee received comments on this measure from the Hawaii Bankers Association.

Your Committee finds that the State's corporate reporting requirements deter actual corruption by corporations attempting to circumvent reporting and disclosure requirements and enable corporations to avoid the appearance of corruption by exposing the source of contributions and expenditures. Shareholders may use this information to file derivative suits. Your Committee further finds that corporate reporting requirements provide a means of detecting violations of valid contribution limitations and preventing circumvention of the State's campaign spending limitations, including rules that bar contributions by foreign corporations. This measure will provide additional scrutiny of compliance with reporting and disclosure requirements.

STAND. COM. REP. NO. 743 Page 2

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 18, S.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair



The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*		Committee Referral:		Date:		
5B 18 5D1	CPN	CPN, JDC			2/23/23	
The Committee is reconsidering its previous decision on this measure.						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WR)	Nay	Excused	
RHOADS, Karl (C)		V				
GABBARD, Mike (VC)						
ELEFANTE, Brandon J.C.		V				
SAN BUENAVENTURA, Joy	Α.					
AWA, Brenton						
	 .					
TOTAL	/	5				
Recommendation:	/		1	l		
Adopted Not Adopted						
Chair's ok Designee's Signature:						
Distribution: / Original File with Committee I		ellow 's Office D	Pink Drafting Agency		denrod e File Copy	

*Only <u>one</u> measure per Record of Votes